

106TH CONGRESS
1ST SESSION

S. 1502

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 1999

Mr. REED (for himself and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Campaign Spending Control Act of 1999”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Statement of purpose.
- Sec. 3. Findings of fact.

TITLE I—SENATE ELECTION SPENDING LIMITS

Sec. 101. Senate election spending limits.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

- Sec. 201. Adding definition of coordination to definition of contribution.
 Sec. 202. Treatment of certain coordinated contributions and expenditures.
 Sec. 203. Political party committees.
 Sec. 204. Limit on independent expenditures.
 Sec. 205. Clarification of definitions relating to independent expenditures.
 Sec. 206. Elimination of leadership PACs.

TITLE III—SOFT MONEY

- Sec. 301. Soft money of political party committee.
 Sec. 302. State party grassroots funds.
 Sec. 303. Reporting requirements.
 Sec. 304. Soft money of persons other than political parties.

TITLE IV—ENFORCEMENT

- Sec. 401. Filing of reports using computers and facsimile machines.
 Sec. 402. Audits.
 Sec. 403. Authority to seek injunction.
 Sec. 404. Increase in penalty for knowing and willful violations.
 Sec. 405. Prohibition of contributions by individuals not qualified to vote.
 Sec. 406. Use of candidates' names.
 Sec. 407. Expedited procedures.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

- Sec. 501. Severability.
 Sec. 502. Regulations.
 Sec. 503. Effective date.

1 **SEC. 2. STATEMENT OF PURPOSE.**

2 The purposes of this Act are to—

3 (1) restore the public confidence in and the in-
 4 tegrity of our democratic system;

5 (2) strengthen and promote full and free dis-
 6 cussion and debate during election campaigns;

7 (3) relieve Federal officeholders from limita-
 8 tions on their attention to the affairs of the Federal
 9 government that can arise from excessive attention
 10 to fundraising;

1 (4) relieve elective office-seekers and office-
 2 holders from the limitations on purposeful political
 3 conduct and discourse that can arise from excessive
 4 attention to fundraising;

5 (5) reduce corruption and undue influence, or
 6 the appearance thereof, in the financing of Federal
 7 election campaigns; and

8 (6) provide non-preferential terms of access to
 9 elected Federal officeholders by all interested mem-
 10 bers of the public in order to uphold the constitu-
 11 tionally guaranteed right to petition the Government
 12 for redress of grievances.

13 **SEC. 3. FINDINGS OF FACT.**

14 Congress finds the following:

15 (1) The current Federal campaign finance sys-
 16 tem, with its perceived preferential access to law-
 17 makers for interest groups capable of contributing
 18 sizable sums of money to lawmakers' campaigns, has
 19 caused a widespread loss of public confidence in the
 20 fairness and responsiveness of elective government
 21 and undermined the belief, necessary to a func-
 22 tioning democracy, that the Government exists to
 23 serve the needs of all people.

24 (2) The United States Supreme Court, in Buck-
 25 ley v. Valeo, 424 U.S. 1 (1976), disapproved the use

1 of mandatory spending limits as a remedy for such
2 effects, while approving the use of campaign con-
3 tribution limits.

4 (3) Since 1976, campaign expenditures have
5 risen steeply in Federal elections with spending by
6 successful candidates for the United States Senate
7 between 1976 and 1996 rising from \$609,100 to
8 \$3,775,000, an increase that is twice the rate of in-
9 flation.

10 (4) As campaign spending has escalated, voter
11 turnout has steadily declined and in 1996 voter
12 turnout fell to its lowest point since 1924, and
13 stands now at the lowest level of any democracy in
14 the world.

15 (5) Coupled with out-of-control campaign
16 spending has come the constant necessity of fund-
17 raising, arising, to a large extent, from candidates
18 adopting a defensive “arms race” posture of con-
19 stant readiness against the risk of massively fi-
20 nanced attacks against whatever the opposing can-
21 didate may say or do.

22 (6) The current campaign finance system has
23 had a deleterious effect on those who hold public of-
24 fice as endless fundraising pressures intrude upon
25 the performance of constitutionally required duties.

1 Capable and dedicated officials have left office in
2 dismay over these distractions and the negative pub-
3 lic perceptions that the fundraising process engen-
4 ders and numerous qualified citizens have declined
5 to seek office because of the prospect of having to
6 raise the extraordinary amounts of money needed in
7 today's elections.

8 (7) The requirement for candidates to raise
9 funds, the average 1996 expenditure level required a
10 successful Senate candidate to raise more than
11 \$12,099 a week for 6 years, significantly impedes on
12 the ability of Senators and other officeholders to
13 tend to their official duties, and limits the ability of
14 candidates to interact with the electorate while also
15 tending to professional responsibilities.

16 (8) As talented incumbent and potential public
17 servants are deterred from seeking office in Con-
18 gress because of such fundraising pressures, the
19 quality of representation suffers and those who do
20 serve are impeded in their effort to devote full atten-
21 tion to matters of the Government by the campaign
22 financing system.

23 (9) Contribution limits are inadequate to con-
24 trol all of these trends and as long as campaign
25 spending is effectively unrestrained, supporters can

1 find ways to protect their favored candidates from
2 being outspent. Since 1976, major techniques have
3 been found and exploited to get around and evade
4 contribution limits.

5 (10) Techniques to evade contribution limits in-
6 clude personal spending by wealthy candidates, inde-
7 pendent expenditures that assist or attack an identi-
8 fied candidate, media campaigns by corporations,
9 labor unions, and nonprofit organizations to advo-
10 cate the election or defeat of candidates, and the use
11 of national, State, or local political parties as a con-
12 duit for money that assists or attacks such can-
13 didates.

14 (11) Wealthy candidates may, under the
15 present Federal campaign financing system, spend
16 any amount they want out of their own resources
17 and while such spending may not be self-corrupting,
18 it introduces the very defects the Supreme Court
19 wanted to avoid. The effectively limitless character
20 of such resources obliges a wealthy candidate's oppo-
21 nent to reach for larger amounts of outside support,
22 causing the deleterious effects previously described.

23 (12) Experience shows that there is an identity
24 of interest between candidates and political parties
25 because the parties exist to support candidates, not

1 the other way around. Party expenditures in support
2 of, or in opposition to, an identifiable candidate are,
3 therefore, effectively spending on behalf of a can-
4 didate.

5 (13) Political experience shows that so-called
6 “independent” support, whether by individuals, com-
7 mittees, or other entities, can be and often is coordi-
8 nated with a candidate’s campaign by means of tacit
9 understandings without losing its nominally inde-
10 pendent character and, similarly, contributions to a
11 political party, ostensibly for “party-building” pur-
12 poses, can be and often are routed, by undeclared
13 design, to the support of identified candidates.

14 (14) The actual, case-by-case detection of co-
15 ordination between candidate, party, and inde-
16 pendent contributor is, as a practical matter, impos-
17 sible in a fast-moving campaign environment.

18 (15) So-called “issue advocacy” communica-
19 tions, by or through political parties or independent
20 contributors, need not advocate expressly for the
21 election or defeat of a named candidate in order to
22 cross the line into election campaign advocacy; any
23 clear, objective indication of purpose, such that vot-
24 ers may readily observe where their electoral support

1 is invited, can suffice as evidence of intent to impact
2 a Federal election campaign.

3 (16) When State political parties or other enti-
4 ties operating under State law receive funds, often
5 called “soft money”, for use in Federal elections,
6 they become de facto agents of the national political
7 party and the inclusion of these funds under applica-
8 ble Federal limitations is necessary and proper for
9 the effective regulation of Federal election cam-
10 paigns.

11 (17) The exorbitant level of money in the polit-
12 ical system has served to distort our democracy by
13 giving some contributors, who constitute less than 3
14 percent of the citizenry, the appearance of favored
15 access to elected officials, thus undermining the abil-
16 ity of ordinary citizens to petition their Government.
17 Concerns over the potential for corruption and
18 undue influence, and the appearances thereof, has
19 left citizens cynical, the reputation of elected offi-
20 cials tarnished, and the moral authority of Govern-
21 ment weakened.

22 (18) The 2 decades of experience since the rul-
23 ing of the Supreme Court in *Buckley v. Valeo* in
24 1976 have made it evident that reasonable limits on
25 election campaign expenditures are now necessary

1 and these limits must comprehensively address all
2 types of expenditures to prevent circumvention of
3 such limits.

4 (19) The Supreme Court based its *Buckley v.*
5 *Valeo* decision on a concern that spending limits
6 could narrow political speech “by restricting the
7 number of issues discussed, the depth of their explo-
8 ration, and the size of the audience reached”. The
9 experience of the past 20 years has been otherwise
10 as experience shows that unlimited expenditures can
11 drown out or distort political discourse in a flood of
12 distractive repetition. Reasonable spending limits
13 will increase the opportunity for previously muted
14 voices to be heard and thereby increase the number,
15 depth, and diversity of ideas presented to the public.

16 (20) Issue advocacy communications that do
17 not promote or oppose an identified candidate should
18 remain unregulated, as should the traditional free-
19 dom of the press to report and editorialize about
20 candidates and campaigns.

21 (21) In establishing reasonable limits on cam-
22 paign spending, it is necessary that the limits reflect
23 the realities of modern campaigning in a large, di-
24 verse population with sophisticated and expensive
25 modes of communication. The limits must allow citi-

1 zens to benefit from a full and free debate of issues
2 and permit candidates to garner the resources nec-
3 essary to engage in that debate.

4 (22) The expenditure limits established in this
5 Act for election to the United States Senate were de-
6 termined after careful review of historical spending
7 patterns in Senate campaigns as well as the par-
8 ticular spending level of the 3 most recent elections
9 as evidenced by the following:

10 (A) The limit formula allows a candidate a
11 level of spending which guarantees an ability to
12 disseminate the candidate's message by ac-
13 counting for the size of the population in each
14 State as well as historical spending trends in-
15 cluding the demonstrated trend of lower cam-
16 paign spending per voter in larger States as
17 compared to voter spending in smaller States.

18 (B) The candidate expenditure limits in-
19 cluded in this legislation would have restricted
20 80 percent of the incumbent candidates in the
21 last 3 elections, while only impeding 18 percent
22 of the challengers.

23 (C) It is clear from recent experience that
24 expenditure limits as set by the formula in this
25 Act will be high enough to allow an effective

1 level of competition, encourage candidate dia-
 2 logue with constituents, and circumscribe the
 3 most egregiously high spending levels, so as to
 4 be a bulwark against future campaign finance
 5 excesses and the resulting voter disenfranchise-
 6 ment.

7 **TITLE I—SENATE ELECTION** 8 **SPENDING LIMITS**

9 **SEC. 101. SENATE ELECTION SPENDING LIMITS.**

10 (a) IN GENERAL.—Title III of the Federal Election
 11 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended
 12 by adding at the end the following:

13 **“SEC. 324. SPENDING LIMITS FOR SENATE ELECTION CAM-** 14 **PAIGNS**

15 “(a) IN GENERAL.—The amount of funds expended
 16 by a candidate for election, or nomination for election, to
 17 the Senate and the candidate’s authorized committee with
 18 respect to an election shall not exceed the election expendi-
 19 ture limits described in subsections (b), (c), and (d).

20 “(b) PRIMARY ELECTION EXPENDITURE LIMIT.—
 21 The aggregate amount of expenditures made in connection
 22 with a primary election by a Senate candidate and the can-
 23 didate’s authorized committee shall not exceed 67 percent
 24 of the general election expenditure limit under subsection
 25 (d).

1 “(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The
 2 aggregate amount of expenditures made in connection
 3 with a runoff election by a Senate candidate and the can-
 4 didate’s authorized committee shall not exceed 20 percent
 5 of the general election expenditure limit under subsection
 6 (d).

7 “(d) GENERAL ELECTION EXPENDITURE LIMIT.—

8 “(1) IN GENERAL.—The aggregate amount of
 9 expenditures made in connection with a general elec-
 10 tion by a Senate candidate and the candidate’s au-
 11 thorized committee shall not exceed the greater of—

12 “(A) \$1,182,500; or

13 “(B) \$500,000; plus

14 “(i) 37.5 cents multiplied by the vot-
 15 ing age population not in excess of
 16 4,000,000; and

17 “(ii) 31.25 cents multiplied by the
 18 voting age population in excess of
 19 4,000,000.

20 “(2) EXCEPTION.—In the case of a Senate can-
 21 didate in a State that has not more than 1 trans-
 22 mitter for a commercial Very High Frequency
 23 (VHF) television station licensed to operate in that
 24 State, paragraph (1)(B) shall be applied by
 25 substituting—

1 “(A) ‘\$1.00’ for ‘37.5 cents’ in clause (i);

2 and

3 “(B) ‘87.5 cents’ for ‘31.25 cents’ in

4 clause (ii).

5 “(3) INDEXING.—The monetary amounts in

6 paragraphs (1) and (2) shall be increased as of the

7 beginning of each calendar year based on the in-

8 crease in the price index determined under section

9 315(c), except that the base period shall be calendar

10 year 1999.

11 “(e) EXEMPTED EXPENDITURES.—In determining

12 the amount of funds expended for purposes of this section,

13 there shall be excluded any amounts expended for—

14 “(1) Federal, State, or local taxes with respect

15 to earnings on contributions raised;

16 “(2) legal and accounting services provided

17 solely in connection with complying with the require-

18 ments of this Act;

19 “(3) legal services related to a recount of the

20 results of a Federal election or an election contest

21 concerning a Federal election; or

22 “(4) payments made to or on behalf of an em-

23 ployee of a candidate’s authorized committee for em-

24 ployee benefits—

25 “(A) including—

1 “(i) health care insurance;

2 “(ii) retirement plans; and

3 “(iii) unemployment insurance; but

4 “(B) not including salary, any form of
5 compensation, or amounts intended to reim-
6 burse the employee.”.

7 **TITLE II—COORDINATED AND** 8 **INDEPENDENT EXPENDITURES**

9 **SEC. 201. ADDING DEFINITION OF COORDINATION TO DEFINITION OF CONTRIBUTION.**

11 (a) DEFINITION OF CONTRIBUTION.—Section 301(8)
12 of the Federal Election Campaign Act of 1971 (2 U.S.C.
13 431(8)) is amended—

14 (1) in subparagraph (A)—

15 (A) in clause (i), by striking “or” at the
16 end;

17 (B) in clause (ii) by striking the period
18 and inserting “; or”; and

19 (C) by adding at the end the following:

20 “(iii) a payment made for a communication or
21 anything of value that is for the purpose of influ-
22 encing an election for Federal office and that is a
23 payment made in coordination with a candidate.”;
24 and

25 (2) by adding at the end the following:

1 “(C) PAYMENT MADE IN COORDINATION WITH.—The
2 term ‘payment made in coordination with’ means—

3 “(i) a payment made by any person in coopera-
4 tion, consultation, or concert with, at the request or
5 suggestion of, or pursuant to any general or par-
6 ticular understanding with, a candidate, a can-
7 didate’s authorized committee, an agent acting on
8 behalf of a candidate or a candidate’s authorized
9 committee, or (for purposes of paragraphs (9) and
10 (10) of section 315(a)) another person;

11 “(ii) the financing by any person of the dissemi-
12 nation, distribution, or republication, in whole or in
13 part, of any broadcast or any written, graphic, or
14 other form of campaign materials prepared by the
15 candidate or the candidate’s authorized committee
16 (not including a communication described in para-
17 graph (9)(B)(i) or a communication that expressly
18 advocates the candidate’s defeat); or

19 “(iii) payments made based on information
20 about the candidate’s plans, projects, or needs pro-
21 vided to the person making the payment by the can-
22 didate, the candidate’s authorized committee, or an
23 agent of a candidate or a candidate’s authorized
24 committee.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) SECTION 315.—Section 315(a)(7)(B) of the
 2 Federal Election Campaign Act of 1971 (2 U.S.C.
 3 441a(a)(7)(B)) is amended to read as follows:

4 “(B) expenditures made in coordination with a
 5 candidate (within the meaning of section 301(8)(C))
 6 shall be considered to be contributions to the can-
 7 didate and, in the case of limitations on expendi-
 8 tures, shall be treated as an expenditure for pur-
 9 poses of this section; and”.

10 (2) SECTION 316.—Section 316(b)(2) of the
 11 Federal Election Campaign Act of 1971 (2 U.S.C.
 12 441b(b)(2)) is amended by striking “shall include”
 13 and inserting “shall have the meaning given those
 14 terms in paragraphs (8) and (9) of section 301 and
 15 shall also include”.

16 **SEC. 202. TREATMENT OF CERTAIN COORDINATED CON-**
 17 **TRIBUTIONS AND EXPENDITURES.**

18 Section 315(a) of the Federal Election Campaign Act
 19 of 1971 (2 U.S.C. 441a(a)) is amended by adding at the
 20 end the following:

21 “(9) For purposes of this section, contributions made
 22 by more than 1 person in coordination with each other
 23 (within the meaning of section 301(8)(C)) shall be consid-
 24 ered to have been made by a single person.

1 “(10) For purposes of this section, an independent
 2 expenditure made by a person in coordination with (within
 3 the meaning of section 301(8)(C)) another person shall
 4 be considered to have been made by a single person.”.

5 **SEC. 203. POLITICAL PARTY COMMITTEES.**

6 (a) LIMIT ON COORDINATED AND INDEPENDENT EX-
 7 PENDITURES BY POLITICAL PARTY COMMITTEES.—Sec-
 8 tion 315(d) of the Federal Election Campaign Act of 1971
 9 (2 U.S.C. 441a(d)) is amended—

10 (1) in paragraph (1), by inserting “and inde-
 11 pendent expenditures” after “Federal office”; and

12 (2) in paragraph (3)—

13 (A) by inserting “, including expenditures
 14 made” after “make any expenditure”; and

15 (B) by inserting “and independent expend-
 16 itures advocating the election or defeat of a
 17 candidate,” after “such party”.

18 (b) RULES APPLICABLE WHEN LIMITS NOT IN EF-
 19 FECT.—For purposes of the Federal Election Campaign
 20 Act of 1971 (2 U.S.C. 431 et seq.), during any period
 21 beginning after the effective date of this Act in which the
 22 limitation under section 315(d)(3) (as amended by sub-
 23 section (a)) is not in effect the following amendments shall
 24 be effective:

1 (1) INDEPENDENT VERSUS COORDINATED EX-
 2 PENDITURES BY A POLITICAL PARTY COMMITTEE.—
 3 Section 315(d) of the Federal Election Campaign
 4 Act of 1971 (2 U.S.C. 441a(d)) is amended—

5 (A) in paragraph (1)—

6 (i) by striking “(2) and (3) of this
 7 subsection” and inserting “(2), (3), and
 8 (4) of this subsection”; and

9 (ii) by inserting “coordinated” after
 10 “make”;

11 (B) in paragraph (3), by inserting “coordi-
 12 nated” after “make any”; and

13 (C) by adding at the end the following:

14 “(4) PROHIBITION AGAINST MAKING BOTH COORDI-
 15 NATED EXPENDITURES AND INDEPENDENT EXPENDI-
 16 TURES.—

17 “(A) IN GENERAL.—A committee of a political
 18 party shall not make both a coordinated expenditure
 19 in excess of \$5,000 and an independent expenditure
 20 with respect to the same candidate during an elec-
 21 tion cycle.

22 “(B) CERTIFICATION.—Before making a coordi-
 23 nated expenditure in excess of \$5,000 in connection
 24 with a general election campaign of a candidate, a
 25 committee of a political party that is subject to this

1 subsection shall file with the Commission a certifi-
 2 cation, signed by the treasurer, stating that the com-
 3 mittee will not make independent expenditures with
 4 respect to such candidate.

5 “(C) TRANSFERS.—A party committee that cer-
 6 tifies under this paragraph that the committee will
 7 make coordinated expenditures with respect to any
 8 candidate shall not, in the same election cycle, make
 9 a transfer of funds to, or receive a transfer of funds
 10 from, any other party committee unless that com-
 11 mittee has certified under this paragraph that it will
 12 only make coordinated expenditures with respect to
 13 candidates.

14 “(D) DEFINITION OF COORDINATED EXPENDI-
 15 TURE.—In this paragraph, the term ‘coordinated ex-
 16 penditure’ shall have the meaning given the term
 17 ‘payments made in coordination with’ in section
 18 301(8)(C).”.

19 (2) LIMIT ON CONTRIBUTIONS TO POLITICAL
 20 PARTY COMMITTEES.—Section 315(a) of Federal
 21 Election Campaign Act of 1971 (2 U.S.C. 441a(a))
 22 is amended—

23 (A) in paragraph (1)(B), by striking
 24 “which, in the aggregate, exceed \$20,000” and
 25 inserting “that—

1 “(i) in the case of a political committee
 2 that certifies under subsection (d)(4) that it will
 3 not make independent expenditures in connec-
 4 tion with the general election campaign of any
 5 candidate, in the aggregate, exceed \$20,000; or

6 “(ii) in the case of a political committee
 7 not described in clause (i), in the aggregate, ex-
 8 ceed \$5,000”; and

9 (B) in paragraph (2)(B), by striking
 10 “which, in the aggregate, exceed \$15,000” and
 11 inserting “that—

12 “(i) in the case of a political committee
 13 that certifies under subsection (d)(4) that it will
 14 not make independent expenditures in connec-
 15 tion with the general election campaign of any
 16 candidate, in the aggregate, exceed \$15,000; or

17 “(ii) in the case of a political committee
 18 not described in clause (i), in the aggregate, ex-
 19 ceed \$5,000”.

20 (c) DEFINITION OF ELECTION CYCLE.—Section 301
 21 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 22 431) is amended by adding at the end the following:

23 “(20) ELECTION CYCLE.—The term ‘election cycle’
 24 means—

1 “(A) in the case of a candidate or the au-
 2 thorized committee of a candidate, the period
 3 beginning on the day after the date of the most
 4 recent general election for the specific office or
 5 seat that the candidate is seeking and ending
 6 on the date of the next general election for that
 7 office or seat; and

8 “(B) in the case of all other persons, the
 9 period beginning on the first day following the
 10 date of the last general election and ending on
 11 the date of the next general election.”.

12 **SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.**

13 (a) IN GENERAL.—Section 315 of the Federal Elec-
 14 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
 15 by adding at the end the following:

16 “(i) LIMIT ON INDEPENDENT EXPENDITURES.—No
 17 person shall make independent expenditures advocating
 18 the election or defeat of a candidate during an election
 19 cycle in an aggregate amount greater than the limit appli-
 20 cable to the candidate under subsection (d)(3).”.

21 (b) RULES APPLICABLE WHEN RULES IN SUB-
 22 SECTION (a) NOT IN EFFECT.—For purposes of the Fed-
 23 eral Election Campaign Act of 1971, during any period
 24 beginning after the effective date of this Act in which the
 25 limit on independent expenditures under section 315(i) of

1 the Federal Election Campaign Act of 1971, as added by
 2 subsection (a), is not in effect, section 324 of such Act,
 3 as added by section 101(a), is amended by adding at the
 4 end the following:

5 “(f) INCREASE IN EXPENDITURE LIMIT IN RE-
 6 SPONSE TO INDEPENDENT EXPENDITURES.—

7 “(1) IN GENERAL.—The applicable election ex-
 8 penditure limit for a candidate shall be increased by
 9 the aggregate amount of independent expenditures
 10 made in excess of the limit applicable to the can-
 11 didate under section 315(d)(3)—

12 “(A) on behalf of an opponent of the can-
 13 didate; or

14 “(B) in opposition to the candidate.

15 “(2) NOTIFICATION.—

16 “(A) IN GENERAL.—A candidate shall no-
 17 tify the Commission of an intent to increase an
 18 expenditure limit under paragraph (1).

19 “(B) COMMISSION RESPONSE.—Within 3
 20 business days of receiving a notice under sub-
 21 paragraph (A), the Commission must approve
 22 or deny the increase in expenditure limit.

23 “(C) ADDITIONAL NOTIFICATION.—A can-
 24 didate who has increased an expenditure limit
 25 under paragraph (1) shall notify the Commis-

1 sion of each additional increase in increments of
2 \$50,000.”.

3 **SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO**
4 **INDEPENDENT EXPENDITURES.**

5 (a) DEFINITION OF INDEPENDENT EXPENDITURE.—
6 Section 301 of the Federal Election Campaign Act of
7 1971 (2 U.S.C. 431) is amended by striking paragraph
8 (17) and inserting the following:

9 “(17) INDEPENDENT EXPENDITURE.—The term
10 ‘independent expenditure’ means an expenditure that—

11 “(A) contains express advocacy; and

12 “(B) is made without the participation or co-
13 operation of, or without consultation with, or with-
14 out coordination with a candidate or a candidate’s
15 authorized committee or agent (within the meaning
16 of section 301(8)(C)).”.

17 (b) DEFINITION OF EXPRESS ADVOCACY.—Section
18 301 of Federal Election Campaign Act of 1971 (2 U.S.C.
19 431), as amended by section 202(c), is amended by adding
20 at the end the following:

21 “(21) EXPRESS ADVOCACY.—The term ‘express advo-
22 cacy’ includes—

23 “(i) a communication that conveys a message
24 that advocates the election or defeat of a clearly
25 identified candidate for Federal office by using an

1 expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote
2 against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for
3 Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accom-
4 panied by a listing or picture of a clearly identified
5 candidate described as ‘pro-life’ or ‘pro-choice,’ ‘re-
6 ject the incumbent,’ or an expression susceptible to
7 no other reasonable interpretation but an unmistak-
8 able and unambiguous exhortation to vote for or
9 against a specific candidate; or

10 “(ii) a communication that is made through a
11 broadcast medium, newspaper, magazine, billboard,
12 direct mail, or similar type of general public commu-
13 nication or political advertising—

14 “(A) that is made on or after a date that
15 is 90 days before the date of a general election
16 of the candidate;

17 “(B) that refers to the character, qualifica-
18 tions, or accomplishments of a clearly identified
19 candidate, group of candidates, or candidate of
20 a clearly identified political party; and

21 “(C) that does not have as its sole purpose
22 an attempt to urge action on legislation that
23 has been introduced in or is being considered by
24 a legislature that is in session.”.

1 **SEC. 206. ELIMINATION OF LEADERSHIP PACS.**

2 (a) DESIGNATION AND ESTABLISHMENT OF AU-
3 THORIZED COMMITTEE.—Section 302(e) of the Federal
4 Election Campaign Act of 1971 (2 U.S.C. 432(e)) is
5 amended by—

6 (1) striking paragraph (3) and inserting the fol-
7 lowing:

8 “(3) No political committee that supports, or has
9 supported, more than one candidate may be designated as
10 an authorized committee, except that—

11 “(A) a candidate for the office of President
12 nominated by a political party may designate the na-
13 tional committee of such political party as the can-
14 didate’s principal campaign committee, if that na-
15 tional committee maintains separate books of ac-
16 count with respect to its functions as a principal
17 campaign committee; and

18 “(B) a candidate may designate a political com-
19 mittee established solely for the purpose of joint
20 fundraising by such candidates as an authorized
21 committee.”; and

22 (2) adding at the end the following:

23 “(6)(A) A candidate for Federal office or any indi-
24 vidual holding Federal office may not directly or indirectly
25 establish, finance, maintain, or control any political com-
26 mittee other than a principal campaign committee of the

1 candidate, designated in accordance with paragraph (3).
2 A candidate for more than one Federal office may des-
3 ignate a separate principal campaign committee for each
4 Federal office. This paragraph shall not preclude a Fed-
5 eral officeholder who is a candidate for State or local office
6 from establishing, financing, maintaining, or controlling a
7 political committee for election of the individual to such
8 State or local office.

9 “(B) A political committee prohibited by subpara-
10 graph (A), that is established before the date of enactment
11 of this paragraph, may continue to make contributions for
12 a period that ends on the date that is 1 year after the
13 date of enactment of this paragraph. At the end of such
14 period the political committee shall disburse all funds by
15 1 or more of the following means:

16 “(1) Making contributions to an entity de-
17 scribed in section 501(c)(3) of the Internal Revenue
18 Code of 1986 and exempt from taxation under sec-
19 tion 501(a) of such Act that is not established,
20 maintained, financed, or controlled directly or indi-
21 rectly by any candidate for Federal office or any in-
22 dividual holding Federal office.

23 “(2) Making a contribution to the Treasury.

24 “(3) Making contributions to the national,
25 State, or local committees of a political party.

1 “(4) Making contributions not to exceed \$1,000
2 to candidates for elective office.”.

3 **TITLE III—SOFT MONEY**

4 **SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

5 Title III of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431 et seq.), as amended by section
7 101(a), is amended by adding at the end the following:

8 **“SEC. 325. SOFT MONEY OF PARTY COMMITTEES.**

9 “(a) NATIONAL COMMITTEES.—A national com-
10 mittee of a political party (including a national congres-
11 sional campaign committee of a political party), an entity
12 that is directly or indirectly established, financed, main-
13 tained, or controlled by a national committee or its agent,
14 an entity acting on behalf of a national committee, and
15 an officer or agent acting on behalf of any such committee
16 or entity (but not including an entity regulated under sub-
17 section (b)) shall not solicit or receive any contributions,
18 donations, or transfers of funds, or spend any funds, that
19 are not subject to the limitations, prohibitions, and report-
20 ing requirements of this Act.

21 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

22 “(1) IN GENERAL.—Any amount that is ex-
23 pended or disbursed by a State, district, or local
24 committee of a political party (including an entity
25 that is directly or indirectly established, financed,

1 maintained, or controlled by a State, district, or
 2 local committee of a political party and an officer or
 3 agent acting on behalf of any such committee or en-
 4 tity) during a calendar year in which a Federal elec-
 5 tion is held, for any activity that might affect the
 6 outcome of a Federal election, including any voter
 7 registration or get-out-the-vote activity, any generic
 8 campaign activity, and any communication that re-
 9 fers to a candidate (regardless of whether a can-
 10 didate for State or local office is also mentioned or
 11 identified) shall be made from funds subject to the
 12 limitations, prohibitions, and reporting requirements
 13 of this Act.

14 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH
 15 (1).—

16 “(A) IN GENERAL.—Paragraph (1) shall
 17 not apply to an expenditure or disbursement
 18 made by a State, district, or local committee of
 19 a political party for—

20 “(i) a contribution to a candidate for
 21 State or local office if the contribution is
 22 not designated or otherwise earmarked to
 23 pay for an activity described in paragraph
 24 (1);

1 “(ii) the costs of a State, district, or
2 local political convention;

3 “(iii) the non-Federal share of a
4 State, district, or local party committee’s
5 administrative and overhead expenses (but
6 not including the compensation in any
7 month of any individual who spends more
8 than 20 percent of such individual’s time
9 on activity during the month that may af-
10 fect the outcome of a Federal election) ex-
11 cept that for purposes of this clause, the
12 non-Federal share of a party committee’s
13 administrative and overhead expenses shall
14 be determined by applying the ratio of the
15 non-Federal disbursements to the total
16 Federal expenditures and non-Federal dis-
17 bursements made by the committee during
18 the previous presidential election year to
19 the committee’s administrative and over-
20 head expenses in the election year in ques-
21 tion;

22 “(iv) the costs of grassroots campaign
23 materials, including buttons, bumper stick-
24 ers, and yard signs that name or depict

1 only a candidate for State or local office;
2 and

3 “(v) the cost of any campaign activity
4 conducted solely on behalf of a clearly
5 identified candidate for State or local of-
6 fice, if the candidate activity is not an ac-
7 tivity described in paragraph (1).

8 “(B) FUNDRAISING COSTS.—Any amount
9 spent by a national, State, district, or local
10 committee, by an entity that is established, fi-
11 nanced, maintained, or controlled by a State,
12 district, or local committee of a political party,
13 or by an agent or officer of any such committee
14 or entity to raise funds that are used, in whole
15 or in part, to pay the costs of an activity de-
16 scribed in paragraph (1) shall be made from
17 funds subject to the limitations, prohibitions,
18 and reporting requirements of this Act.

19 “(c) TAX-EXEMPT ORGANIZATIONS.—A national,
20 State, district, or local committee of a political party (in-
21 cluding a national congressional campaign committee of
22 a political party, an entity that is directly or indirectly
23 established, financed, maintained, or controlled by any
24 such national, State, district, or local committee or its
25 agent, an agent acting on behalf of any such party com-

1 mittee, and an officer or agent acting on behalf of any
 2 such party committee or entity), shall not solicit any funds
 3 for or make any donations to an organization that is ex-
 4 empt from Federal taxation under section 501(c) of the
 5 Internal Revenue Code of 1986.

6 “(d) CANDIDATES.—

7 “(1) IN GENERAL.—A candidate, individual
 8 holding Federal office, or agent of a candidate or in-
 9 dividual holding Federal office shall not—

10 “(A) solicit, receive, transfer, or spend
 11 funds in connection with an election for Federal
 12 office unless the funds are subject to the limita-
 13 tions, prohibitions, and reporting requirements
 14 of this Act;

15 “(B) solicit, receive, or transfer funds that
 16 are to be expended in connection with any elec-
 17 tion other than a Federal election unless the
 18 funds—

19 “(i) are not in excess of the amounts
 20 permitted with respect to contributions to
 21 candidates and political committees under
 22 paragraphs (1) and (2) of section 315(a);
 23 and

1 “(ii) are not from sources prohibited
 2 by this Act from making contributions with
 3 respect to an election for Federal office; or
 4 “(C) solicit, receive, or transfer any funds
 5 on behalf of any person that are not subject to
 6 the limitations, prohibitions, and reporting re-
 7 quirements of the Act if the funds are for use
 8 in financing any campaign-related activity or
 9 any communication that refers to a clearly iden-
 10 tified candidate.

11 “(2) EXCEPTION.—Paragraph (1) shall not
 12 apply to the solicitation or receipt of funds by an in-
 13 dividual who is a candidate for a State or local office
 14 if the solicitation or receipt of funds is permitted
 15 under State law for the individual’s State or local
 16 campaign committee.”.

17 **SEC. 302. STATE PARTY GRASSROOTS FUNDS.**

18 (a) INDIVIDUAL CONTRIBUTIONS.—Section
 19 315(a)(1) of the Federal Election Campaign Act of 1971
 20 (2 U.S.C. 441a(a)(1)) is amended—

21 (1) in subparagraph (B), by striking “or” at
 22 the end;

23 (2) in subparagraph (C), by striking the period
 24 at the end and inserting “; or”; and

1 (3) by inserting after subparagraph (C) the fol-
 2 lowing:

3 “(D) to—

4 “(i) a State Party Grassroots Fund estab-
 5 lished and maintained by a State committee of
 6 a political party in any calendar year which, in
 7 the aggregate, exceed \$20,000; or

8 “(ii) any other political committee estab-
 9 lished and maintained by a State committee of
 10 a political party in any calendar year which, in
 11 the aggregate, exceed \$5,000;

12 except that the aggregate contributions described in
 13 this subparagraph that may be made by a person to
 14 the State Party Grassroots Fund and all committees
 15 of a State Committee of a political party in any
 16 State in any calendar year shall not exceed
 17 \$20,000.”.

18 (b) DEFINITIONS.—Section 301 of the Federal Elec-
 19 tion Campaign Act of 1970 (2 U.S.C. 431), as amended
 20 by section 205(b), is amended by adding at the end the
 21 following:

22 “(22) GENERIC CAMPAIGN ACTIVITY.—The
 23 term ‘generic campaign activity’ means a campaign
 24 activity that promotes a political party and does not

1 refer to any particular candidate for a Federal,
2 State, or local office.

3 “(23) STATE PARTY GRASSROOTS FUND.—The
4 term ‘State Party Grassroots Fund’ means a sepa-
5 rate segregated fund established and maintained by
6 a State committee of a political party solely for pur-
7 poses of making expenditures and other disburse-
8 ments described in section 326(d).”.

9 (c) STATE PARTY GRASSROOTS FUNDS.—Title III of
10 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
11 et seq.), as amended by section 301, is amended by adding
12 at the end the following:

13 **“SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

14 “(a) DEFINITION.—In this section, the term ‘State
15 or local candidate committee’ means a committee estab-
16 lished, financed, maintained, or controlled by a candidate
17 for other than Federal office.

18 “(b) TRANSFERS.—Notwithstanding section
19 315(a)(4), no funds may be transferred by a State com-
20 mittee of a political party from its State Party Grassroots
21 Fund to any other State Party Grassroots Fund or to any
22 other political committee, except a transfer may be made
23 to a district or local committee of the same political party
24 in the same State if the district or local committee—

1 “(1) has established a separate segregated
2 fund; and

3 “(2) uses the transferred funds solely for dis-
4 bursements and expenditures under subsection (d).

5 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
6 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

7 “(1) IN GENERAL.—Any amount received by a
8 State Party Grassroots Fund from a State or local
9 candidate committee for expenditures described in
10 subsection (d) that are for the benefit of the can-
11 didate for whom such Fund is established shall be
12 treated as meeting the requirements of section
13 325(b)(1) and section 304(e) if—

14 “(A) the amount is derived from funds
15 which meet the requirements of this Act with
16 respect to any limitation or prohibition as to
17 source or dollar amount specified in paragraphs
18 (1)(A) and (2)(A) of section 315(a); and

19 “(B) the State or local candidate
20 committee—

21 “(i) maintains, in the account from
22 which payment is made, records of the
23 sources and amounts of funds for purposes
24 of determining whether those requirements
25 are met; and

1 “(ii) certifies that the requirements
2 were met.

3 “(2) DETERMINATION OF COMPLIANCE.—For
4 purposes of paragraph (1)(A), in determining wheth-
5 er the funds transferred meet the requirements of
6 this Act described in such paragraph—

7 “(A) a State or local candidate commit-
8 tee’s cash on hand shall be treated as consisting
9 of the funds most recently received by the com-
10 mittee; and

11 “(B) the committee must be able to dem-
12 onstrate that the cash on hand of such com-
13 mittee contains funds meeting those require-
14 ments sufficient to cover the transferred funds.

15 “(3) REPORTING.—Notwithstanding paragraph
16 (1), any State Party Grassroots Fund that receives
17 a transfer described in paragraph (1) from a State
18 or local candidate committee shall be required to
19 meet the reporting requirements of this Act, and
20 shall submit to the Commission all certifications re-
21 ceived, with respect to receipt of the transfer from
22 the candidate committee.

23 “(d) DISBURSEMENTS AND EXPENDITURES.—A
24 State committee of a political party shall only make dis-

1 bursements and expenditures from the State Party Grass-
 2 roots Fund of such committee for—

3 “(1) any generic campaign activity;

4 “(2) payments described in clauses (v), (ix),
 5 and (xi) of paragraph (8)(B) and clauses (iv), (viii),
 6 and (ix) of paragraph (9)(B) of section 301;

7 “(3) subject to the limitations of section
 8 315(d), payments described in clause (xii) of para-
 9 graph (8)(B), and clause (ix) of paragraph (9)(B),
 10 of section 301 on behalf of candidates other than for
 11 President and Vice President;

12 “(4) voter registration; and

13 “(5) development and maintenance of voter files
 14 during any even-numbered calendar year.”.

15 **SEC. 303. REPORTING REQUIREMENTS.**

16 (a) REPORTING REQUIREMENTS.—Section 304 of the
 17 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
 18 is amended by adding at the end the following:

19 “(e) POLITICAL COMMITTEES.—

20 “(1) NATIONAL AND CONGRESSIONAL POLIT-
 21 ICAL COMMITTEES.—The national committee of a
 22 political party, any congressional campaign com-
 23 mittee of a political party, and any subordinate com-
 24 mittee of either, shall report all receipts and dis-

1 bursements during the reporting period, whether or
2 not in connection with an election for Federal office.

3 “(2) OTHER POLITICAL COMMITTEES TO WHICH
4 SECTION 325 APPLIES.—A political committee (not
5 described in paragraph (1)) to which section
6 325(b)(1) applies shall report all receipts and dis-
7 bursements made for activities described in para-
8 graphs (1) and (2)(iii) of section 325(b).

9 “(3) OTHER POLITICAL COMMITTEES.—Any po-
10 litical committee to which paragraph (1) or (2) does
11 not apply shall report any receipts or disbursements
12 that are used in connection with a Federal election.

13 “(4) ITEMIZATION.—If a political committee
14 has receipts or disbursements to which this sub-
15 section applies from any person aggregating in ex-
16 cess of \$200 for any calendar year, the political
17 committee shall separately itemize its reporting for
18 such person in the same manner as required in para-
19 graphs (3)(A), (5), and (6) of subsection (b).

20 “(5) REPORTING PERIODS.—Reports required
21 to be filed under this subsection shall be filed for the
22 same time periods required for political committees
23 under subsection (a).”.

24 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
25 TION OF CONTRIBUTION.—Section 301(8) of the Federal

1 Election Campaign Act of 1971 (2 U.S.C. 431(8)) is
 2 amended—

3 (1) by striking clause (viii); and

4 (2) by redesignating clauses (ix) through (xiv)
 5 as clauses (viii) through (xiii), respectively.

6 (c) REPORTS BY STATE COMMITTEES.—Section 304
 7 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 8 434), as amended by subsection (a), is amended by adding
 9 at the end the following:

10 “(f) FILING OF STATE REPORTS.—In lieu of any re-
 11 port required to be filed by this Act, the Commission may
 12 allow a State committee of a political party to file with
 13 the Commission a report required to be filed under State
 14 law if the Commission determines such reports contain
 15 substantially the same information.”.

16 (d) OTHER REPORTING REQUIREMENTS.—

17 (1) AUTHORIZED COMMITTEES.—Section
 18 304(b)(4) of the Federal Election Campaign Act of
 19 1971 (2 U.S.C. 434(b)(4)) is amended—

20 (A) by striking “and” at the end of sub-
 21 paragraph (H);

22 (B) by inserting “and” at the end of sub-
 23 paragraph (I); and

24 (C) by adding at the end the following new
 25 subparagraph:

1 “(J) in the case of an authorized com-
 2 mittee, disbursements for the primary election,
 3 the general election, and any other election in
 4 which the candidate participates;”.

5 (2) NAMES AND ADDRESSES.—Section
 6 304(b)(5)(A) of the Federal Election Campaign Act
 7 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-
 8 serting “, and the election to which the operating ex-
 9 penditure relates” after “operating expenditure”.

10 **SEC. 304. SOFT MONEY OF PERSONS OTHER THAN POLIT-**
 11 **ICAL PARTIES.**

12 Section 304 of the Federal Election Campaign Act
 13 of 1971 (2 U.S.C. 434), as amended by subsection 303,
 14 is amended by adding at the end the following:

15 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN
 16 POLITICAL PARTIES.—

17 “(1) IN GENERAL.—A person other than a com-
 18 mittee of a political party that makes aggregate dis-
 19 bursements totaling in excess of \$10,000 with re-
 20 spect to an election cycle for activities described in
 21 paragraph (2) shall file a statement with the
 22 Commission—

23 “(A) within 48 hours after the disburse-
 24 ments are made; or

1 “(B) in the case of disbursements that are
2 made within 20 days of an election, within 24
3 hours after the disbursements are made.

4 “(2) ACTIVITY.—The activity described in this
5 paragraph is—

6 “(A) any activity described in section
7 316(b)(2)(A) that refers to any candidate for
8 Federal office, any political party, or any Fed-
9 eral election; and

10 “(B) any activity described in subpara-
11 graph (B) or (C) of section 316(b)(2).

12 “(3) ADDITIONAL STATEMENTS.—An additional
13 statement shall be filed each time additional dis-
14 bursements aggregating \$10,000 are made by a per-
15 son described in paragraph (1).

16 “(4) APPLICABILITY.—This subsection does not
17 apply to—

18 “(A) a candidate or a candidate’s author-
19 ized committee; or

20 “(B) an independent expenditure.

21 “(5) CONTENTS.—A statement under this sec-
22 tion shall contain such information about the dis-
23 bursements as the Commission shall prescribe,
24 including—

1 “(A) the name and address of the person
2 or entity to whom the disbursement was made;

3 “(B) the amount and purpose of the dis-
4 bursement; and

5 “(C) if applicable, whether the disburse-
6 ment was in support of, or in opposition to, a
7 candidate or a political party, and the name of
8 the candidate or the political party.”.

9 **TITLE IV—ENFORCEMENT**

10 **SEC. 401. FILING OF REPORTS USING COMPUTERS AND** 11 **FACSIMILE MACHINES.**

12 Section 302(a) of the Federal Election Campaign Act
13 of 1971 (2 U.S.C. 434(a)) is amended by striking para-
14 graph (11) and inserting the following:

15 “(11) FILING OF REPORTS USING COMPUTERS
16 AND FACSIMILE MACHINES.—

17 “(A) REQUIRED FILING.—The Commission
18 may promulgate a regulation under which a
19 person required to file a designation, statement,
20 or report under this Act—

21 “(i) is required to maintain and file a
22 designation, statement, or report for any
23 calendar year in electronic form accessible
24 by computers if the person has, or has rea-
25 son to expect to have, aggregate contribu-

tions or expenditures in excess of a threshold amount determined by the Commission; and

“(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

“(B) FACSIMILE MACHINE.—The Commission shall promulgate a regulation that allows a person to file a designation, statement, or report required by this Act through the use of facsimile machines.

“(C) VERIFICATION OF SIGNATURE.—

“(i) IN GENERAL.—In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying a designation, statement, or report covered by the regulations.

“(ii) TREATMENT OF VERIFICATION.—A document verified under any of the methods shall be treated for all purposes (including penalties for

1 perjury) in the same manner as a docu-
2 ment verified by signature.”.

3 **SEC. 402. AUDITS.**

4 (a) RANDOM AUDITS.—Section 311(b) of the Federal
5 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is
6 amended—

7 (1) by inserting “(1)” before “The Commis-
8 sion”; and

9 (2) by adding at the end the following:

10 “(2) RANDOM AUDITS.—

11 “(A) IN GENERAL.—Notwithstanding para-
12 graph (1), the Commission may conduct ran-
13 dom audits and investigations to ensure vol-
14 untary compliance with this Act.

15 “(B) LIMITATION.—The Commission shall
16 not institute an audit or investigation of a can-
17 didate’s authorized committee under subpara-
18 graph (A) until the candidate is no longer a
19 candidate for the office sought by the candidate
20 in that election cycle.

21 “(C) APPLICABILITY.—This paragraph
22 does not apply to an authorized committee of a
23 candidate for President or Vice President sub-
24 ject to audit under section 9007 or 9038 of the
25 Internal Revenue Code of 1986.”.

1 (b) EXTENSION OF PERIOD DURING WHICH CAM-
 2 PAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the
 3 Federal Election Campaign Act of 1971 (2 U.S.C. 438(b))
 4 is amended by striking “6 months” and inserting “12
 5 months”.

6 **SEC. 403. AUTHORITY TO SEEK INJUNCTION.**

7 Section 309(a) of the Federal Election Campaign Act
 8 of 1971 (2 U.S.C. 437g(a)) is amended—

9 (1) by adding at the end the following:

10 “(13) AUTHORITY TO SEEK INJUNCTION.—

11 “(A) IN GENERAL.—If, at any time in a pro-
 12 ceeding described in paragraph (1), (2), (3), or (4),
 13 the Commission believes that—

14 “(i) there is a substantial likelihood that a
 15 violation of this Act is occurring or is about to
 16 occur;

17 “(ii) the failure to act expeditiously will re-
 18 sult in irreparable harm to a party affected by
 19 the potential violation;

20 “(iii) expeditious action will not cause
 21 undue harm or prejudice to the interests of oth-
 22 ers; and

23 “(iv) the public interest would be best
 24 served by the issuance of an injunction;

1 the Commission may initiate a civil action for a tem-
 2 porary restraining order or a preliminary injunction
 3 pending the outcome of the proceedings described in
 4 paragraphs (1), (2), (3), and (4).

5 “(B) VENUE.—An action under subparagraph
 6 (A) shall be brought in the United States district
 7 court for the district in which the defendant resides,
 8 transacts business, or may be found, or in which the
 9 violation is occurring, has occurred, or is about to
 10 occur.”;

11 (2) in paragraph (7), by striking “(5) or (6)”
 12 and inserting “(5), (6), or (13)”; and

13 (3) in paragraph (11), by striking “(6)” and in-
 14 serting “(6) or (13)”.

15 **SEC. 404. INCREASE IN PENALTY FOR KNOWING AND WILL-**
 16 **FUL VIOLATIONS.**

17 Section 309(a)(5)(B) of the Federal Election Cam-
 18 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended
 19 by striking “the greater of \$10,000 or an amount equal
 20 to 200 percent” and inserting “the greater of \$15,000 or
 21 an amount equal to 300 percent”.

22 **SEC. 405. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
 23 **UALS NOT QUALIFIED TO VOTE.**

24 (a) PROHIBITION.—Section 319 of the Federal Elec-
 25 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

1 (1) in the heading by adding “AND INDIVID-
 2 UALS NOT QUALIFIED TO REGISTER TO
 3 VOTE” at the end; and

4 (2) in subsection (a)—

5 (A) by striking “(a) It shall” and inserting
 6 the following:

7 “(a) PROHIBITIONS.—

8 “(1) FOREIGN NATIONALS.—It shall”; and

9 (B) by adding at the end the following:

10 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

11 It shall be unlawful for an individual who is not
 12 qualified to register to vote in a Federal election to
 13 make a contribution, or to promise expressly or
 14 impliedly to make a contribution, in connection with
 15 a Federal election; or for any person to knowingly
 16 solicit, accept, or receive a contribution in connection
 17 with a Federal election from an individual who is not
 18 qualified to register to vote in a Federal election.”.

19 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
 20 TION.—Section 301(13) of the Federal Election Campaign
 21 Act of 1971 (2 U.S.C. 431(13)) is amended—

22 (1) in subparagraph (A)—

23 (A) by striking “and” the first place it ap-
 24 pears; and

1 (B) by inserting “, and an affirmation that
 2 the individual is an individual who is not pro-
 3 hibited by section 319 from making a contribu-
 4 tion” after “employer”; and

5 (2) in subparagraph (B), by inserting “and an
 6 affirmation that the person is a person that is not
 7 prohibited by section 319 from making a contribu-
 8 tion” after “such person”.

9 **SEC. 406. USE OF CANDIDATES’ NAMES.**

10 Section 302(e) of the Federal Election Campaign Act
 11 of 1971 (2 U.S.C. 432(e)) is amended by striking para-
 12 graph (4) and inserting the following:

13 “(4)(A) The name of each authorized com-
 14 mittee shall include the name of the candidate who
 15 authorized the committee under paragraph (1).

16 “(B) A political committee that is not an au-
 17 thorized committee shall not—

18 “(i) include the name of any can-
 19 didate in its name, or

20 “(ii) except in the case of a national,
 21 State, or local party committee, use the
 22 name of any candidate in any activity on
 23 behalf of such committee in such a context
 24 as to suggest that the committee is an au-
 25 thorized committee of the candidate or

1 that the use of the candidate’s name has
 2 been authorized by the candidate.”.

3 **SEC. 407. EXPEDITED PROCEDURES.**

4 Section 309(a) of the Federal Election Campaign Act
 5 of 1971 (2 U.S.C. 437g(a)), as amended by section 403,
 6 is amended by adding at the end the following:

7 “(14) EXPEDITED PROCEDURE.—

8 “(A) 60 DAYS PRECEDING AN ELECTION.—

9 If the complaint in a proceeding is filed within
 10 60 days immediately preceding a general elec-
 11 tion, the Commission may take action described
 12 in this paragraph.

13 “(B) RESOLUTION BEFORE ELECTION.—If
 14 the Commission determines, on the basis of
 15 facts alleged in the complaint and other facts
 16 available to the Commission, that there is clear
 17 and convincing evidence that a violation of this
 18 Act has occurred, is occurring, or is about to
 19 occur and it appears that the requirements for
 20 relief stated in clauses (ii), (iii), and (iv) of
 21 paragraph (13)(A) are met, the Commission
 22 may—

23 “(i) order expedited proceedings,
 24 shortening the time periods for proceedings
 25 under paragraphs (1), (2), (3), and (4) as

1 necessary to allow the matter to be re-
2 solved in sufficient time before the election
3 to avoid harm or prejudice to the interests
4 of the parties; or

5 “(ii) if the Commission determines
6 that there is insufficient time to conduct
7 proceedings before the election, imme-
8 diately seek relief under paragraph
9 (13)(A).

10 “(C) COMPLAINT WITHOUT MERIT.—If the
11 Commission determines, on the basis of facts
12 alleged in the complaint and other facts avail-
13 able to the Commission, that the complaint is
14 clearly without merit, the Commission may—

15 “(i) order expedited proceedings,
16 shortening the time periods for proceedings
17 under paragraphs (1), (2), (3), and (4) as
18 necessary to allow the matter to be re-
19 solved in sufficient time before the election
20 to avoid harm or prejudice to the interests
21 of the parties; or

22 “(ii) if the Commission determines
23 that there is insufficient time to conduct
24 proceedings before the election, summarily
25 dismiss the complaint.”.

1 **TITLE V—SEVERABILITY;**
2 **REGULATIONS; EFFECTIVE DATE**

3 **SEC. 501. SEVERABILITY.**

4 If any provision of this Act or amendment made by
5 this Act, or the application of a provision or amendment
6 to any person or circumstance, is held to be unconstitu-
7 tional, the remainder of this Act and amendments made
8 by this Act, and the application of the provisions and
9 amendment to any person or circumstance, shall not be
10 affected by the holding.

11 **SEC. 502. REGULATIONS.**

12 The Federal Election Commission shall promulgate
13 any regulations required to carry out this Act and the
14 amendments made by this Act.

15 **SEC. 503. EFFECTIVE DATE.**

16 Except as otherwise provided in this Act, this Act and
17 the amendments made by this Act take effect on the date
18 that is 30 days after the date of enactment of this Act.

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